

August 28, 2023

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

**RE: Docket No. 21-035-16  
Collaborative Stakeholder Process for Rocky Mountain Power's Grid  
Modernization and Rate Design  
Comments of Western Resource Advocates and Utah Clean Energy**

Western Resource Advocates ("WRA") and Utah Clean Energy ("UCE") submit these comments in response to the Commission's Notice of Filing and Comment Period regarding the Division of Public Utilities' ("DPU" or "Division") Grid Modernization Collaborative Workgroup ("Grid Mod Collaborative" or "Collaborative") Report.

WRA and UCE were active participants throughout the Grid Mod Collaborative and appreciate the efforts of all parties, particularly PacifiCorp (the "Company"), in presenting information and facilitating discussion about a wide range of topics related to cost of service, rate design, and the distribution grid. WRA and UCE agree with the Division that the Collaborative was useful and that the discussions were informative and robust. As described more below, WRA and UCE recommend that the Commission not completely end the Collaborative as requested by the Division; rather, we recommend that the Commission continue a process for regular check-ins on grid modernization and federal funding opportunities. These are continually evolving topics that are highly relevant to the Company's provision of retail electricity service in Utah.

WRA and UCE appreciate having a process, outside of a time-constrained general rate case, dedicated to learning about and discussing issues that are relevant and important to PacifiCorp's provision of affordable, reliable, and safe electricity service. This docket provided a forum for a lower-stakes exchange of ideas than is available in a litigated docket. Meetings addressed a wide array of technical information that parties were able to discuss without necessarily focusing on specific positions or proposals. As noted by the Division, the primary accomplishment of this process, rather than consensus on specific proposals, was greater understanding among parties about current and emerging issues related to the distribution grid as well as cost of service and rate design. In our view, the value of the stakeholder process was the opportunity for technical learning and, as the Division noted, helping stakeholders address forthcoming topics "with better information should the topics arise in specific regulatory matters."<sup>1</sup> We hope the Commission will continue to provide fora for stakeholder learning and discussion on complicated topics such as grid modernization and rate design, particularly technical conferences.

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<sup>1</sup> *DPU Status Report*, Grid Modernization Collaborative Workgroup (filed in Docket No. 21-035-16 on July 27, 2023), page 5.

As outlined by the Division in its semi-annual reports, the Collaborative addressed numerous topics that generally fell under either the “cost of service and rate design” category or the “grid modernization” category. In our hindsight view, particularly with regard to the grid modernization topics, most of these discussions could and should have been technical conferences to allow Commissioners and Commission Staff to attend. Most of these discussions were very technical in nature and focused on information sharing rather than specific proposals. These topics are necessary for understanding the context in which PacifiCorp provides service (technology, policy, economic).

In particular, we believe conversations the Collaborative had about utility-related funding opportunities from the Infrastructure Investment and Jobs Act of 2021 (also known as the Bipartisan Infrastructure Law) and grid modernization-related proceedings happening in other PacifiCorp states would have been of interest to the Commission (distribution system planning and electrification load forecasting in Oregon, for example).<sup>2</sup> Other topics related to the Company’s grid modernization “Roadmap” are also well suited for discussion in technical conferences because of their highly technical nature. Therefore, our recommendations are focused on ensuring future opportunities for both stakeholders and the Commission to remain up to date on important developments.

The Commission should request updates on the Company’s efforts related to grid modernization funding from the Infrastructure Investment and Jobs Act of 2021. Approximately \$20 billion in federal funding will be made available over the next few years to support investments in modernizing the grid and making it more resilient in the face of extreme events. This funding will be made available through competitive grants to eligible entities – including utilities, transmission owners, and public utility commissions – and formula grants (money formulaically allocated to states). Funding opportunities for states and utilities, such as this and additional opportunities made available in the Inflation Reduction Act of 2022, are unprecedented and happening in real time.

At the beginning of 2023, the Department of Energy (“DOE”) opened applications for competitive grants under the Grid Resilience and Innovation Partnerships (“GRIP”) programs.<sup>3</sup> During the Collaborative working group conversation on January 25, 2023, PacifiCorp gave a presentation on their efforts to apply for this funding, which can be used for preventing outages and enhancing the resilience of the electric grid and technologies for enhancing grid flexibility.<sup>4</sup> Awards under this program should be announced this summer or fall.

Within the last month, Utah’s Office of Energy Development (“OED”) received an award of \$12 million in formula funding for grid resilience projects to strengthen and modernize the grid against wildfires, extreme weather, and other natural disasters.<sup>5</sup> (Earlier this year, the Utah Legislature approved \$4.5 million in matching funding for these projects.) This \$12 million

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<sup>2</sup> For example, see the topics addressed in the January 25, 2023, working group meeting.

<sup>3</sup> <https://www.energy.gov/gdo/grid-resilience-and-innovation-partnerships-grip-program>.

<sup>4</sup> For ease of reference, we are including the Company’s January 25, 2023, presentation as *WRA-UCE Attachment 1*.

<sup>5</sup> [https://www.energy.gov/sites/default/files/2023-08/081723\\_Grid-Resilience-State-and-Tribal-Formula-Grants-Fact-Sheet\\_Utah.pdf](https://www.energy.gov/sites/default/files/2023-08/081723_Grid-Resilience-State-and-Tribal-Formula-Grants-Fact-Sheet_Utah.pdf).

represents funding for the first two years of a five-year program. Utah is eligible for \$5.9 million per year through 2026 but needs to reapply each year. OED will be deploying this money through a competitive grant process for which PacifiCorp is eligible to apply.

Such federal funding represents a significant opportunity to support modernizing the grid and reducing associated costs for ratepayers. WRA and UCE recommend that the Commission utilize this docket to request updates on PacifiCorp's efforts to pursue federal grid modernization funding.

There are other federal funding opportunities relevant to PacifiCorp that are not related to modernizing the grid, both in the Bipartisan Infrastructure Law of 2021 as well as the Inflation Reduction Act of 2022. Of note are state energy office-administered rebate programs for residential energy efficiency and electrification investments from Sections 50121 and 50122 of the Inflation Reduction Act. OED is in the process of developing these programs. The Utah Division of Air Quality ("DAQ") has identified that Utah, which represents one percent of the nation's population, is likely eligible for at least \$600 million in formula funding from the Bipartisan Infrastructure Law and the Inflation Reduction Act (\$200 million and \$400 million respectively).<sup>6</sup> DAQ and OED (among other state offices) are lead agencies in applying for federal funding in matters of relevance to PacifiCorp and both host stakeholder processes. WRA and UCE suggest that the Commission consider requesting updates on other federal funding opportunities that PacifiCorp may play a role in as well.

The Commission should establish a process for receiving timely updates on the Company's grid modernization "Roadmap" and consider inviting additional guest speakers and technical support. Over the past two years, the Grid Mod Collaborative has invited guest speakers to discuss highly technical topics related to updating and modernizing the distribution grid to inform our perspectives on PacifiCorp's distribution grid investments, including the following:

- On November 18, 2021, Ric O'Connell of Grid Lab gave a presentation on the capabilities of smart inverters<sup>7</sup> as specified by the IEEE 1547-2018 standard, specifically about the grid supporting capabilities of smart inverters, which include riding through voltage and frequency disturbances and a number of other voltage management capabilities. IEEE 1547-2018 is an equipment capabilities specification, not a prescriptive standard, so Mr. O'Connell provided recommendations for states and utilities in making decisions about what features to implement (and when). According to Mr. O'Connell, states and utilities should implement smart inverter capabilities early and deploy standard settings for most systems. He explained that the distribution grid is in need of these capabilities already, even before we see higher penetrations of distributed energy resources. Mr. O'Connell's presentation is included as *WRA-UCe Attachment 2*.
- Also on November 18, 2021, Brian Lydic, Chief Regulatory Engineer of the Interstate Renewable Energy Council, presented additional information about the grid-supporting features of smart inverters as well as considerations for adopting and implementing smart

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<sup>6</sup> Beehive Emissions Reduction Plan kick-off meeting, August 24, 2023 (slides forthcoming at <https://deq.utah.gov/air-quality/beehive-emission-reduction-plan>).

<sup>7</sup> Smart inverters are a type of power electronics that can make autonomous decisions to keep the distribution grid stable and reliable. They facilitate integration of distributed solar generation as well as other distributed energy resources.

inverters (plus timeline recommendations). Mr. Lydic's presentation is included as *WRA-UCE Attachment 3*.

- On December 9, 2021, three representatives of the Regulatory Assistance Project gave presentations to the Collaborative. Elaine Prouse presented background information on what grid modernization means and examples of grid modernization investments and evaluation processes in other states. She concluded that the interrelated nature of grid modernization investments drives the need for coordinated planning and multi-year roadmaps. John Shenot presented on various methods for regulators to evaluate the benefits of grid modernization investments (i.e. relative to costs). Carl Linvill discussed implications of grid modernization on electric cost allocation. These presentations are included in the Division's *Attachment A* to their final report. These presentations are detailed and thorough and still very relevant to stakeholder and Commission evaluation of PacifiCorp's grid modernization activities. WRA and UCE suggest the Commission host them on the Commission's website in a place that is less hard to find than in the Division's *Attachment A*. At the very least, posting them to the docket page as individual PDFs would be appropriate. (The Commission could request that DPU re-file the presentations as individual PDFs.)
- On September 22, 2022, representatives from Lawrence Berkeley National Laboratory and the National Renewable Energy Laboratory presented to the Collaborative as part of a technical assistance grant that the Collaborative, as sponsored by the Commission, received from the Department of Energy. Topics included smart inverter deployment, distribution system planning, non-wires alternatives to traditional distribution investments, and quantifying locational net benefits of distributed energy resources. These resources are similarly rich and we recommend the Commission post them individually to this docket page as well.
- Also as a result of the DOE technical assistance grant, the Division was invited to attend a series of workshops that covered similar grid modernization topics as discussed in the Collaborative. Unfortunately, this additional technical assistance was not integrated into the Collaborative process or discussed by stakeholders. All of these presentations are included in the Division's *Attachment A* to their final report and should be posted individually to this docket page for easier reference.

Additionally, throughout the Collaborative, PacifiCorp gave high-level updates about their grid modernization planning and investments. We generally referred to this as PacifiCorp's "Grid Mod Roadmap." Attached as *WRA-UCE Attachment 4* is a memo WRA submitted in advance of the June 16, 2022 working group meeting (listed in DPU's Attachment A as "not approved for public view"). As is evident from the memo, which WRA approves for public view, the topics associated with the Grid Mod Roadmap are numerous, highly technical, and interrelated.

WRA and UCE recommend that the Commission establish a means for getting timely updates on PacifiCorp's grid modernization activities (i.e. on the Grid Mod Roadmap and associated decision-making). Such activities tend to need significant technical explanation (and opportunity for questions and answers) and are highly relevant to the quality of PacifiCorp's retail electricity service. We suggest that such a process could include some or all of the following components:

- Regular (e.g. every six months or annually) Grid Mod Roadmap technical conferences.

- Informational filings from PacifiCorp containing information about their recent grid modernization developments and information about upcoming timelines and decision-making.
- Opportunities for stakeholders to request updates or technical information about specific grid modernization topics for discussion in technical conferences or informational filings.
- Opportunities for stakeholder comments about technical conferences or informational filings.
- Technical conferences for which the Commission invites outside expertise or technical assistance, as provided by DOE/national labs or the Regulatory Assistance Project.

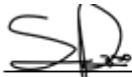
Conclusion. The ability to share and discuss grid modernization information outside of a litigated proceeding has provided parties an important opportunity to increase foundational technical understanding to support better information exchange in future dockets. Because grid modernization and federal funding opportunities are rapidly evolving issues, WRA and UCE recommend the Commission continue some process for regular check-ins on these topics. We also recommend that the Commission make the technical presentations from the Collaborative (as attached here and available in the Division's *Attachment A*) more readily available on the docket page or elsewhere on the Commission's website.

Sincerely,



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CERTIFICATE OF SERVICE  
Docket No. 21-035-16

I hereby certify that a true and correct copy of the foregoing was served by email this 28<sup>th</sup> day of August 2023 on the following:

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